

400 Texas Street, Suite 1400

Shreveport, LA 71101

Firm: 318.221.6858

Fax: 318.227.2967

Web: www.bwor.com

Mailing Address:

P.O. Drawer 1126 Shreveport, LA 71163-1126

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217
Email: tallen@bwor.com

August 2, 2005

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION

Gardner Sand Hosston L Sand Hosston Formation Simsboro Field

Lincoln Parish, Louisiana Our File No. 230765.20

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Gardner Sand, Hosston L Sand and the Hosston Formation, in the Simsboro Field, Lincoln Parish, Louisiana:

- 1. To permit the Applicant to drill, designate and utilize an alternate unit well for GARD SUC, at the location shown on the attached plat, in exception to the well spacing provisions of Office of Conservation Order No. 222, effective December 4, 1951;
- 2. To permit the Applicant to drill, designate and utilize a substitute unit well for HOSS L SUB and HOSS SU29, at the location shown on the plat attached hereto, in exception to the well spacing provisions of Office of Conservation Order No. 222, effective December 4, 1951;
- 3. To explicitly find that the proposed alternate and substitute unit wells are necessary to drain a portion of the Gardner Sand, Hosston L Sand and Hosston Formation, in the Simsboro Field underlying GARD SUC, HOSS L SUB, and HOSS SU29, respectively, which cannot be efficiently and economically drained by any existing well in such units;

- 4. To redefine the Hosston Formation in the Simsboro Field, Lincoln Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS TO HOSS SU29, as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 6480 feet and 9610 feet (electric log measurements) in the Tensas Delta Expl. Co., LLC Freudendorf, et al No. 2 Well, located in Section 14, Township 17 North, Range 4 West, Lincoln Parish, Louisiana, LESS AND EXCEPT the Gardner Sand and Hosston L Sand as defined in Office of Conservation Order No. 222;
- 6. To permit the downhole combination of the Gardner Sand, Hosston L Sand and the Hosston Formation in the wellbore of any well located in GARD SUC, HOSS L SUB and HOSS SU29;
- 7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Gardner Sand and Hosston L Sand, in the Simsboro Field, Lincoln Parish, Louisiana, is fully defined in Office of Conservation Order No. 222, effective December 4, 1951.

The Hosston Formation, in the Simsboro Field, Lincoln Parish, Louisiana was previously defined in Office of Conservation Order No. 222-1, effective September 1, 1957, but shall be redefined as set forth hereinabove INSOFAR AS TO HOSS SU29.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

By Pre-Application Notice dated August 17, 2005, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a Pre-Application Conference, and accordingly, no conference was held.

Commissioner of Conservation August 17, 2005 Page 3

A check in the amount of \$2,265.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kml Enclosures Wm. Timothy Aller III
Attorneys for Chesapeake Operating, Inc.

cc: Mr. James C. Broussard, Shreveport

District Manager (w/enclosures)

cc: Interested Owners, Represented Parties

and Interested Parties (w/copy of plats only)





